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Form DOG/PCU-11
May 2011

SEP 10 2012

RETURN TO: Division of Oil and Gas
550 W 7th Avenue, Suite 800
Anchorage, AK 99501-3560

DIVISION OF
OIL AND GAS

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

LEASE / UNIT* PLAN OF OPERATIONS APPLICATION

Applicant: Great Bear Petroleum Operating LLC Date: 09/10/2012

Contact Person: Karen Bryant Duncan or Pat Galvin Telephone #: (907) 868-8070 Fax #: (907) 868-3887

Mailing Address: 601 W. 5th Ave. Suite 505, Anchorage, AK 99501 E-mail Address: karen@greatbearpetro.com
pat@greatbearpetro.com

Is this activity within a Unit? No Unit name: N/A Operator: _____

Is any part of the proposed project or activity discussed in the approved Unit Plan of Exploration or Development filed with the Division of Oil and Gas? ☐ Yes ☒ No

If no, attach a detailed explanation.

The Applicant is: ☐ Unit Operator ☒ Lessee* ☐ Tract Operator ☐ Other*: _____

Project Description: Amend Approved Plan of Operations to allow for extended
production flow testing for up to 180 days per well.

Project Location / Facility Name: North Slope, Along the Dalton Highway Corridor

ADL # (mandatory): 391663, 391678, 391680 Oil and Gas Bond #: B007355
391683, 391706, 391707

Plan of Operations require a \$250.00 permit fee; payable to the State of Alaska, Department of Revenue; and *should* accompany this application.

1. Plan of Operations: See Attached Plan of Operations Amendment #1.

(Attach extra sheets if necessary, include applicable diagrams and drawings)

2. Surface Property Owner: State of Alaska

3. Legal Description: Section From, Township 07N, Range 14E, Meridian Umiat
Section To, Township 05N, Range 14E, Meridian Umiat

Decimal Degrees, NAD 83 Latitude 69.79-69.98 Longitude -148.72-148.68

(Include all necessary maps and use <http://transition.fcc.gov/mnt/audio/bickel/DDDMSS-decimal.html>)

4. Site Access: No change from approved Plan of Ops

5. Proposed Start-up Date: 10/15/2012 6. Expected Completion Date: 06/01/2014

7. Project Material: No change 8. Material Source: No change

a) Amount: (pad) _____ cy (road) _____ cy (other) _____ cy

b) Acreage Covered: (pad) _____ (road) _____ (other) _____

9. Snow Removal Plan: No change from approved Plan of Ops

* Unit Plan of Operations approvals are not considered complete until the consent of the Unit Operator has been obtained by the applicant.

10. Will Any Off-road (tundra or ice) Travel be Required? No change from Approved Plan of Ops

a) Period of Off-road Travel: _____

b) Equipment to be Utilized: _____

11. Will a Temporary Water Use Permit be Required? No change from Approved Plan of Ops

a) Purpose: _____

b) Sources: _____

c) Access: _____ d) Max. Anticipated Withdrawal: _____

12. Will Fuel or Any Other Hazardous Substances be Stored on Site? No change

a) Type: _____

b) Volume: _____

c) Handling Technique: _____

d) Access: _____

e) Duration of Storage: _____

13. If a Pipeline is Being Constructed, will the line be a:

☐ Common Carrier Pipeline ☐ Field Gathering Line ☐ Other: _____

a) Location / Route: _____

b) Number, Diameter and Length: _____

c) Type and Use: _____

d) Construction Access: _____

14. Plan for Rehabilitation: ☐ Upon Abandonment ☒ Specific: *see attached plan*

15. Is Any Part of this Application Confidential? No

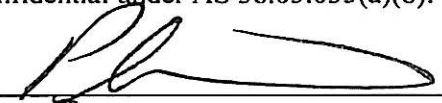
16. How will Solid Waste be Disposed of? No change from Approved Plan of Ops

17. What Infrastructure will be Used to Support the Project? _____

No change from Approved Plan of Ops

18. Additional Comments: None

The undersigned hereby requests that each page of this application marked confidential be held confidential under AS 38.05.035(a)(8).


Signature of Karen Bryant Duncan

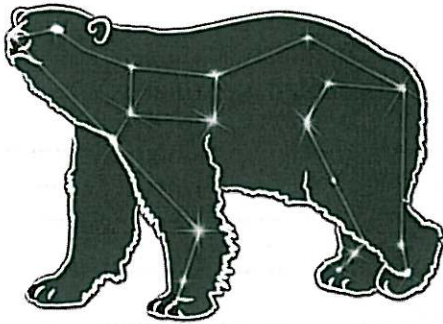
VP-Corporate & General Counsel

Title

09/10/2012

Date

Please fill out the form, print it, and sign it.



Great Bear Petroleum Operating LLC

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**DIVISION OF
OIL AND GAS**

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PLAN OF OPERATIONS Amendment #1

NORTH SLOPE ALASKA 2011-2013 EXPLORATION & EVALUATION PROGRAM

Great Bear Petroleum Operating LLC
601 West 5th Avenue, Suite 505
Anchorage, AK 99501

August 1, 2012 (Updated: September 10, 2012)

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1.0 INTRODUCTION

1.1 Exploration and Evaluation Program Summary

Great Bear Petroleum Operating LLC (“Great Bear”) is a private company focusing on the exploration and sustainable development of the first unconventional oil and gas resources on the North Slope of Alaska. Great Bear’s primary focus is on shale oil. Great Bear currently has 99 state leases covering 499,423 acres located south of the Kuparuk and Prudhoe Bay oil fields, of which it currently owns 100% Working Interest in 98 of such leases. Great Bear owns 75% Working Interest in the 99th lease.

Great Bear is conducting exploration drilling and evaluation activities along the Dalton Highway and Trans Alaska Pipeline System (“TAPS”) corridor, under the terms of its Exploration and Evaluation Program (“E&E Program”) Plan of Operations, approved by the Department of Natural Resources (“DNR”) Division of Oil and Gas (“DOG”) on December 28, 2011. Under the E&E Program, Great Bear expects to drill up to four vertical wells, with a potential to drill up to six vertical wells, extract core samples, drill side track wells or laterals from certain if not all of the vertical wells, perform production flow tests by stimulating production using hydraulic fracturing and pumping, and truck liquids production to Prudhoe Bay. Drilling of its first E&E Program well, Alcor #1, commenced on June 19, 2012. Drilling of the second E&E Program well, Merak #1, commenced on August 22, 2012.

1.2 Amendment to Plan of Operations

Great Bear proposes to amend the approved Plan of Operations primarily to allow production flow tests for up to 180 days at its six permitted well locations. Currently, the Plan of Operations contains flow testing for up to 15 days. As explained below, the longer flow tests will provide valuable information about the production decline rates of these wells. Such information is critical in the evaluation of this unconventional resource play particularly since this is the first such play in Alaska to be evaluated. Great Bear believes that environmental or other impacts associated with extended flow tests of up to 180 days will be minimal.

2.0 PERMIT REQUIREMENTS

The permits and plans associated with this Amendment #1 are listed in Table 1 below. All required permit applications for activities proposed in this Amendment have been, or will be, submitted to the required agency and properly secured prior to commencing the activities identified in Amendment #1.

Table 1. Exploration & Evaluation Amendment #1 Permits, Plans and Approvals

AGENCY	PERMIT/PLAN	AUTHORIZATION TYPE	DATE(S)		
			To be Submitted	Submitted	Issued
State of Alaska					
AOGCC	Sundry Permit	Authorization to extend flow testing of the well, and the use of additional well evaluation techniques	TBD		
DNR - DOG	Plan of Operation Amendment	Approval of amendment of plan for land use activities on state O&G leases		8/1/12	
North Slope Borough (NSB)					
Planning & Zoning Department	Land Use Permit Amendment	Administrative Approval of Amendment to Development Permit	TBD		
Other Authorizations and Agreements					
Alyeska Pipeline Service Company (APSC)	Letter of Non-Objection (LNO) Amendment	Amend agreement regarding access around & across TAPS Right of Way (ROW)	TBD		

3.0 AMENDED PROJECT TIMELINE & ACTIVITIES

3.1 Change to Project Timeline

The purpose of Amendment #1 is to amend the approved Plan of Operations to conduct production flow tests for up to 180 days rather than the currently approved 15 days. The E&E Program, by its nature, provides new information and data as it is conducted. Great Bear then incorporates this new information and data in its plans in conducting subsequent activities in the E&E Program. At this time, Great Bear expects to complete wells at the Merak and Alcor sites this calendar year. Subsequent wells will be planned based on the results of Merak and Alcor. The following Table 2 provides an estimated schedule of activities associated with the Merak and Alcor wells upon approval of this Amendment #1.

Table 2. Potential Change in the Project Timeline

<u>Well/Activity</u>	<u>Estimated Start Without Amendment #1</u>	<u>Estimated Completion Without Amendment #1</u>	<u>Estimated Start With Amendment #1</u>	<u>Estimated Completion With Amendment #1</u>
<u>Merak-Lateral</u>	<u>9/23/12</u>	<u>10/15/12</u>	<u>9/23/12</u>	<u>10/15/12</u>
<u>Merak-Fracture Stimulation</u>	<u>10/25/12</u>	<u>11/20/12</u>	<u>10/25/12</u>	<u>11/20/12</u>
<u>Merak-Production Flow Test</u>	<u>11/20/12</u>	<u>12/5/12</u>	<u>11/20/12</u>	<u>5/19/12</u>
<u>Alcor-Lateral</u>	<u>10/25/12</u>	<u>12/1/12</u>	<u>10/25/12</u>	<u>12/1/12</u>
<u>Alcor-Fracture Stimulation</u>	<u>12/27/12</u>	<u>1/6/13</u>	<u>12/27/12</u>	<u>1/6/13</u>
<u>Alcor-Production Flow Test</u>	<u>1/6/13</u>	<u>1/21/13</u>	<u>1/6/13</u>	<u>7/6/13</u>

3.2 Need for Extended Flow Test

Great Bear's evaluation of the unconventional resources of the North Slope and the potential to commercially develop these resources requires the acquisition of a wide range of data and information. Great Bear's E&E Program is designed to recover critical information, including the amount of oil and gas saturation found in the rock formations; the mechanics of the rock formations and their reaction to methods of hydraulic fracturing; initial production rates following fracturing; and how rapidly those production rates decline in order to develop a type curve to determine estimated ultimate recovery (EUR) on a per well basis as well as for the play. The decline and type curves exhibited by the wells will be one of the material elements in determining the commercial viability of the play.

After further review and analysis of testing in analogous plays in the lower 48 states, Great Bear has concluded that the first 15 days of the production tests in the E&E Program is expected to consist mostly of the water used for the hydraulic fracturing. In determining the length of time for flow testing that will be most conclusive in establishing the viability of the unconventional play on the North Slope, Great Bear considered the typical production profile of unconventional wells. These wells initially produce at high rates, declining about 75% during the first year with most of the decline occurring during the first six months of production. The production of these wells then plateau for long periods of time. During the first six months, the decline curve typically starts to lessen or flatten out. This is the critical point in the information that should allow Great Bear to establish type curves to formulate reliable EUR for the E&E Program corridor. The information gathered will be critical to accelerate development plans by perhaps as much as a year.

3.3 Flow Testing Activities

After fracture stimulating each well, production flow testing will begin through flowback equipment consisting of a sand separator, line heater, 4-phase separator and test tanks. The produced water and any sand or solids will be trucked to the BP disposal site at Prudhoe Bay. The oil will be processed utilizing modular processing equipment located on site and then trucked to sales. Gas will be flared on location, subject to approval by AOGCC under 20 AAC 25.235(d)(6). Accurate records will be kept of all flow data to determine the well's flow capacity.

3.4 Additional Well Stimulation, If Needed, and Equipment

Hydraulic fracture stimulation should create sufficient pressure in the target formations to allow the well to flow fluids to surface. As the flow continues, the pressure will decrease resulting in less flow to the surface. Even after fluids will no longer flow to the surface unassisted, the evaluation of the well will likely not be complete. It may be necessary to evaluate the ability of the well to flow oil with additional assistance, such as with a “gas assist” or a submersible pump. A complete well test will evaluate the declining production rates from the well and determine when the well (with these additional assistance methods) reaches a level of stable production.

If the well loses pressure before a complete well test can be run, a coiled tubing string may be run into the casing near the bottom of the vertical well and nitrogen gas pumped into the well to recover any remaining water and to continue the well test. If a “gas assist” operation is deemed necessary or desirable, additional equipment will be brought to the location. That equipment is listed in Section 6.2 of this document. This additional equipment will remain on-site for the duration of the nitrogen pumping operation, which is expected to last approximately 14 days.

If two weeks of a “gas assist” does not provide a complete well test, the nitrogen jetting will be terminated and a submersible pump system will be installed. A workover rig will be brought to location and rigged up on the wellhead. Tubing (probably 3 or 4 inch diameter), packer, and a submersible pump will be run into the hole to continue the well test until stable production rates are obtained or until a decline curve can be determined (but not to exceed 180 days). Surface equipment for this phase is also listed in Section 6.2 of this document. This equipment will be on site for approximately seven days.

3.5 Impacts Associated with Extended Flow Test

Great Bear believes that the additional impacts associated with Amendment #1 will be minimal. Fluid spill risk is significantly lower than during the drilling phase, and is mostly associated with fluid transport via trucks. The lined and double bermed pad will remain in place as containment for any spilled fluids. The additional impacts will be primarily due to extending the time that rig mats will cover the ground and traffic will move to and from the site. However, this should be minimal on Alcor and Merak as the rig mats should probably not be removed until summer of 2013 (as discussed below), which is after the production tests will be run on such wells.

Removal of the rig mats is probably best accomplished in the summer months. Removal in the fall and winter when they will likely be frozen to the ground could result in unnecessary additional damage to the underlying tundra. In addition, removal in the spring when the tundra is soggy and wet could also result in unnecessary damage. Therefore, extending the flow testing from 15 to 180 days will often result in site remediation occurring no sooner than previously

expected. For example, Great Bear expects to begin flow testing the wells at Alcor and Merak in October and November 2012. Regardless of whether the flow testing period is extended, these sites won't be remediated prior to Summer 2013. In a situation where approval of Amendment #1 will result in rig mats remaining on site throughout a summer (and therefore in-place for an additional year), the obligations to re-seed and ensure that the site is recovered by native vegetation remains unchanged from the current Plan of Operations approval.

Additional traffic to and from the site during the extended flow-testing period will not materially impact other users of the Dalton Highway corridor. The amount of traffic will be proportional to the volume of production and fluid transportation. However, as an example, utilizing analogue data from the Eagle Ford play in South Texas as a benchmark, assuming high flowback volumes of approximately 1,000 barrels of oil per day, it will result in approximately seven tanker trips between the drill site and the Prudhoe Bay Unit each day, diminishing rapidly over the six month period as production declines.

4.0 LOCATION AND SITE DEVELOPMENT

Drill site locations remain the same as found in the approved Plan of Operations.

5.0 GENERAL OPERATIONS

5.1 Camp Facilities

During flow testing, no camp facilities are needed. Required personnel will commute to the site from Deadhorse or camps located elsewhere.

5.2 Fuel Storage

During flow testing, no fuel will be stored on site.

5.3 Waste Management and Disposal

Great Bear has entered into a Ballot Agreements with the PBU owners for the disposal of Class I and Class II waste and will use the PBU facilities to dispose of those materials. During flow testing, a separator will be used to separate oil, gas, and produced water. The produced water will be temporarily stored on site and then transported to PBU for disposal.

5.4 Air Emissions

Great Bear has obtained the ADEC General Permit MGP1 for Oil & Gas Drilling Rigs and will comply with the stipulated parameters established under that authorization. Great Bear will monitor emission of any volatile organic compounds (VOCs) to ensure that they do not have the potential to exceed 100 tons per year, the threshold for additional permitting requirements. If the threshold may be exceeded, Great Bear will reduce or shutdown production flow to stay below the threshold.

6.0 CONTACT INFORMATION, EQUIPMENT LIST, AND CONTRACTOR LIST

6.1 Contact Information

The following persons may be contacted for details on this amendment:

Pat Galvin 1-907-868-8070 (office phone) or
pat@greatbearpetro.com (email)

or

Karen Duncan 1-907-868-8070 (office phone) or
karen@greatbearpetro.com (email)

6.2 Equipment List

The following Equipment supplements the equipment listed in the approved Plan of Operations, and may be used for activities described in this amendment:

On-Site during Flow Testing

Sand separator
Line heater
4-phase separator
Test tanks
Various Trucks

On-Site during Nitrogen “Gas Assist” Operations

Coiled tubing unit
2 Nitrogen tanks
Nitrogen pumping unit
Various Trucks

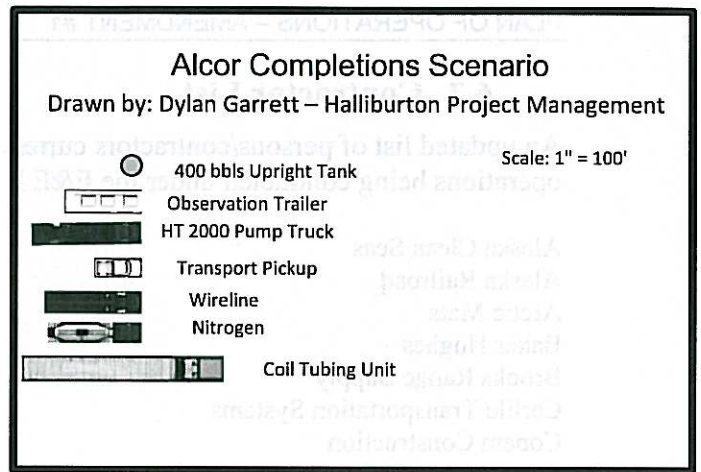
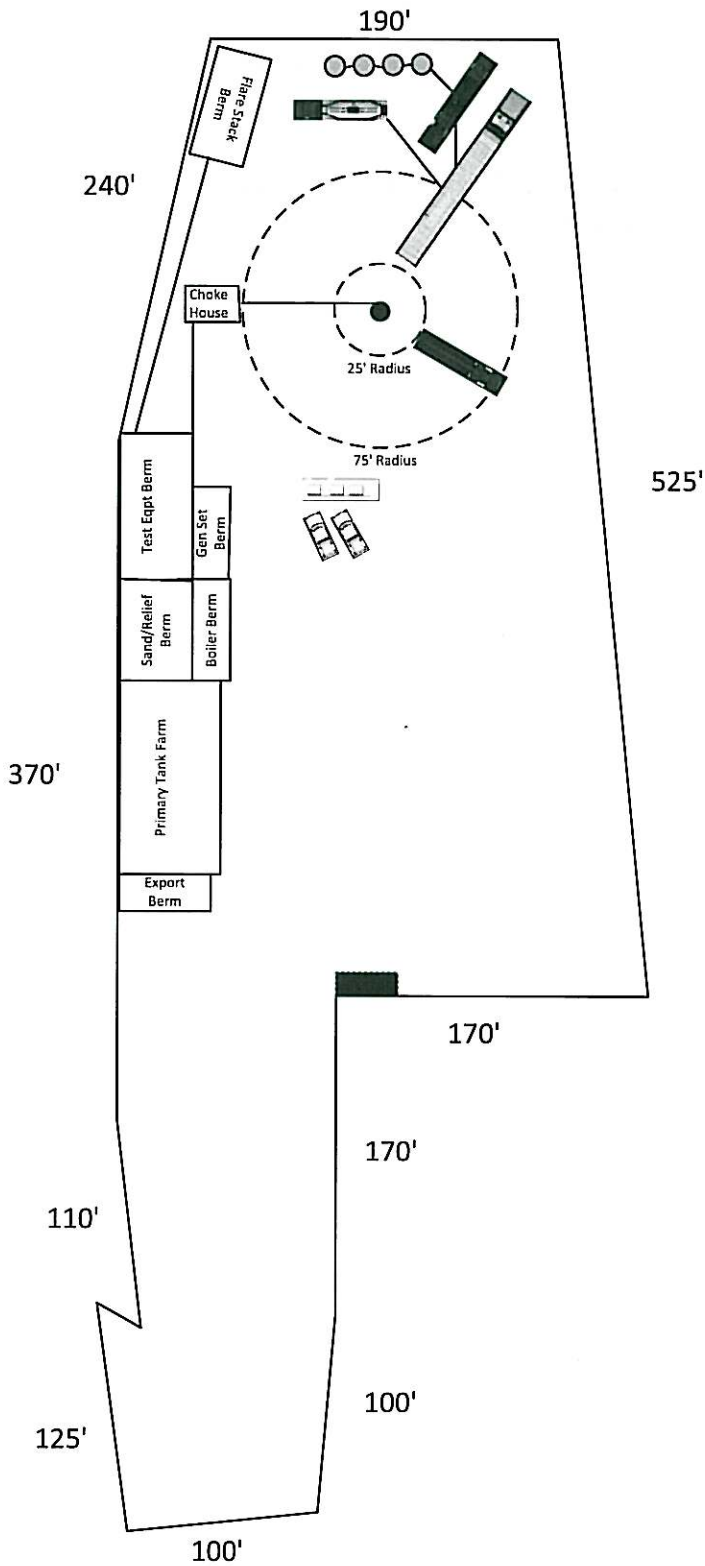
On-Site to install Submersible Pump

Workover rig
Rig pump
Pipe racks
Various Trucks

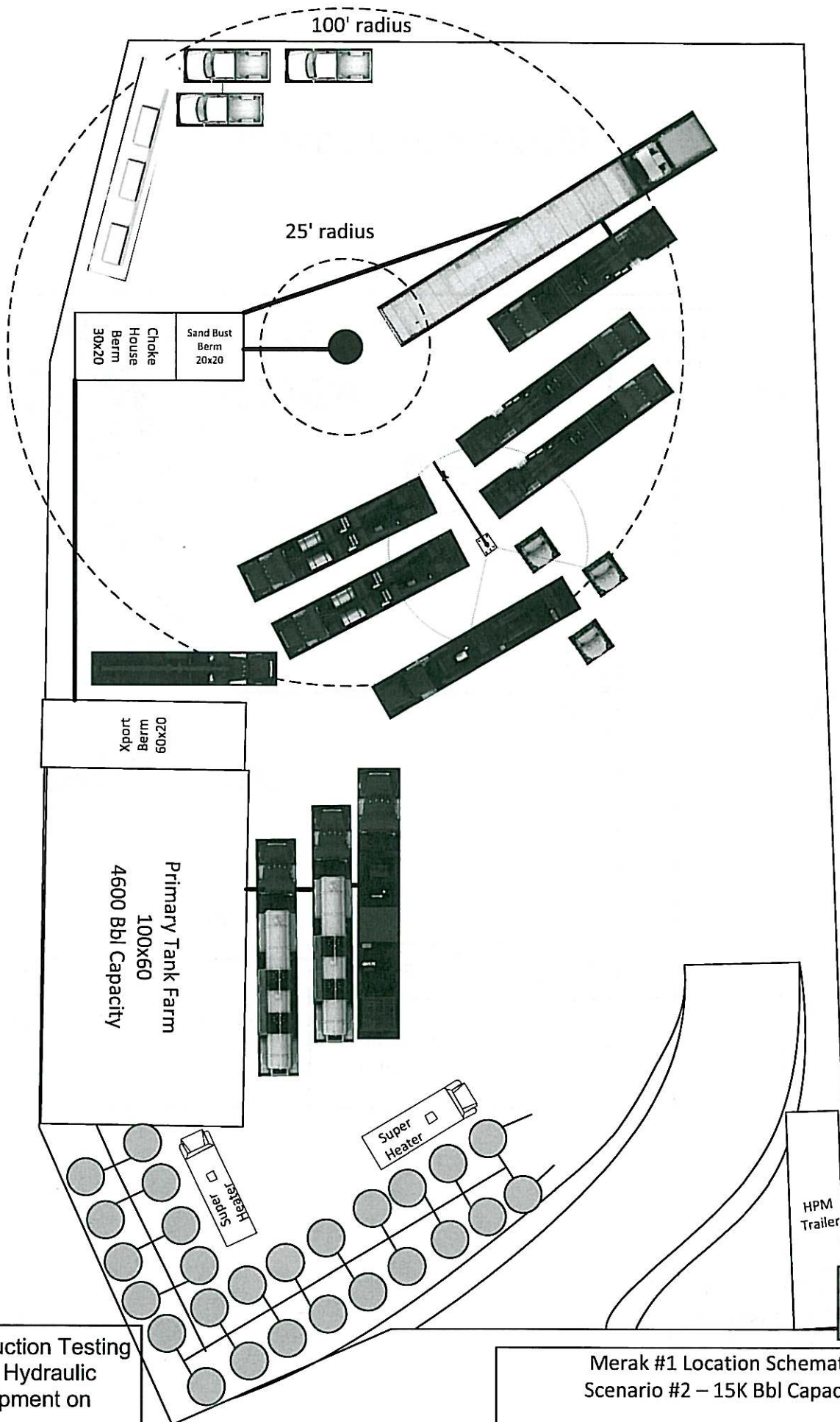
6.3 Contractor List

An updated list of persons/contractors currently under contract to Great Bear associated with operations being conducted under the E&E Program includes:

Alaska Clean Seas
Alaska Railroad
Arctic Mats
Baker Hughes
Brooks Range Supply
Carlile Transportation Systems
Conam Construction
Emerald Alaska
ESRI
GBR
GCI
GMC Contracting
Lynden Transportation
MagTec Alaska
Nana Oilfield Services, Inc.
National Oilwell Varco
North Slope Borough
O'Brien's Response Management
Peak Oilfield Services Group
Petroleum Equipment Services
Prudhoe Bay Unit
Sourdough Express
Steel Dog
The Reach Group
Unique Machine
Weatherford
West Engineering Services



Layout of Production Testing Equipment on Alcor Pad

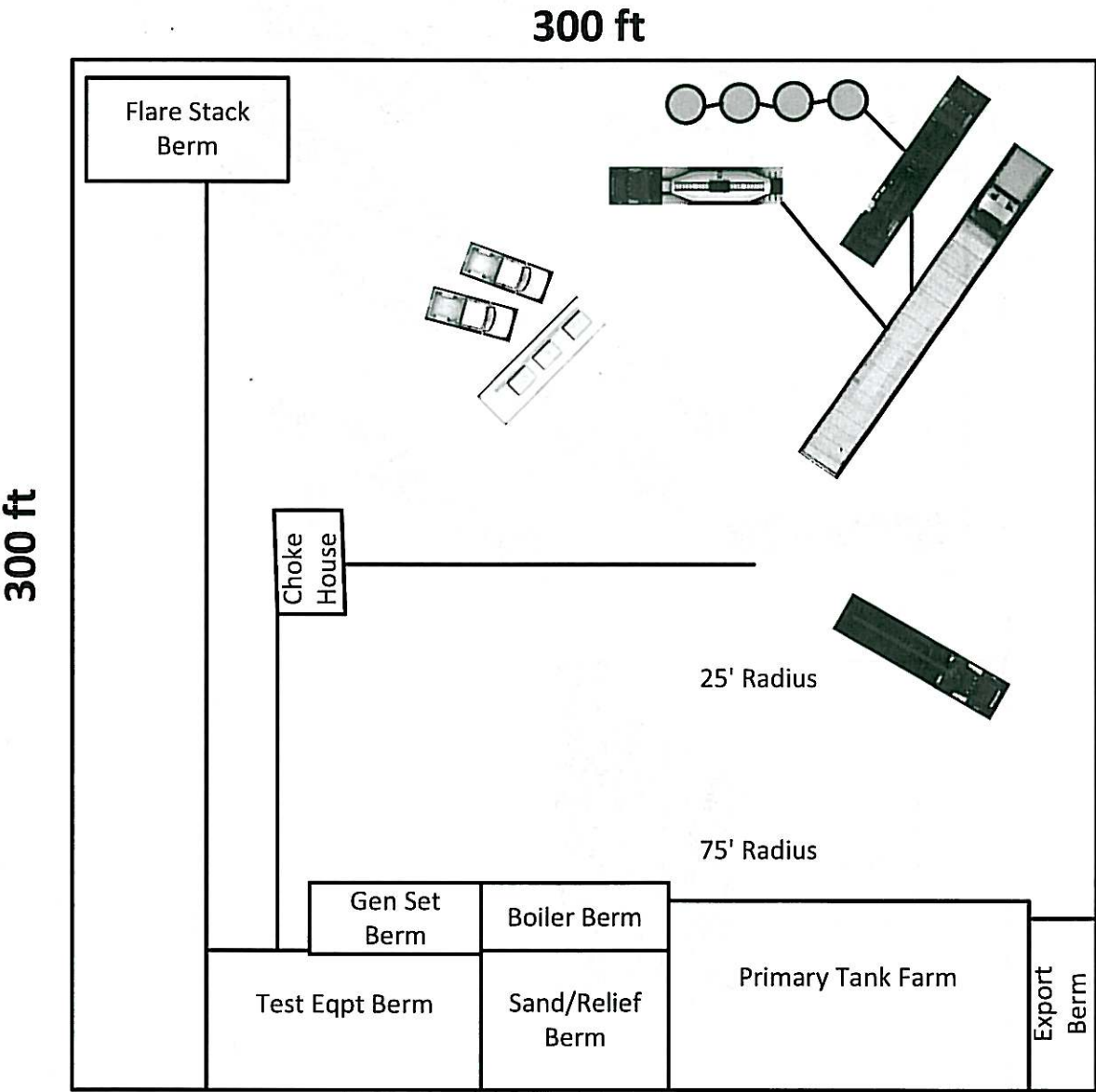


Attachment 1
Page 2 of 3

Layout of Production Testing
Equipment and Hydraulic
Fracturing Equipment on
Merak Pad

Merak #1 Location Schematic
Scenario #2 – 15K Bbl Capacity

Generic Pad Layout



Layout of Production
Testing Equipment on
Generic 300' X 300' Pad

SEP 10 2012

**DIVISION OF
OIL AND GAS**

**Great Bear Petroleum Operating LLC ("Great Bear")
Plan of Operations – Amendment #1
Response to DNR-DOG Request for Additional Information**

<i>DNR Request</i>	<i>Great Bear Response</i>
Application	
1. Please amend the project description to reflect the actual requested term, in days, for the extended production flow testing.	The "Project Description" was amended to add a reference to "testing for up to 180 days per well." Testing may be for fewer days, but not more than 180 days per well.
2. Please amend the response to item 7 to include itemized project materials and quantified amounts to be used.	Item 7 was amended to state, "No change", indicating that Amendment #1 does not propose any change in project materials from the previously approved E&E Program Plan of Operations ("original POO").
3. Please amend response to item 10 to include a detailed explanation of all off-road travel.	Item 10 was amended to state, "No change". Indicating that this Amendment does not propose any change from the original POO. The extended testing will be conducted on the drill pads as approved by the original POO.
Plan of Operations	
1. Please clarify the second sentence under Section 2.0.	The sentence has been amended to state that permit applications have been, or will be, submitted "to the required agency and properly secured prior to commencing the activities identified in Amendment #1."
2. Please explain how GBPO made the determination that a 15-day production flow test would consist of water, and why it differs from the original POO.	The original POO did not characterize the expected nature of fluids that would flow during the 15-day production test. The original POO contemplated that any production flow analysis (i.e. type curve analysis) would take place in subsequent programs after the E&E Program. Amendment #1 would allow Great Bear to accelerate the production flow analysis. As a result, Amendment #1 goes into greater detail with regard to the possible flow test results expected from a 15-day test as opposed to a much

	<p>more revealing 180-day test.</p> <p>Analysis was added to the Amendment #1 to described how production tests up to 180-days will enable type curves to be gathered, which will establish reliable estimated ultimate recovery (EUR) of the E&E Program corridor. This is based on the typical production profile of unconventional plays in the lower 48.</p>
3. Please amend the Amendment #1 so all references to the requested period of time all state 180 days.	Done.
4. Please specify in section 6.2 all equipment that supplements or is in addition to the approved POO.	All equipment listed in Section 6.2 of Amendment #1 is intended to supplement the equipment listed in Section 9.2 of the original POO. Section 3.4 has been amended to clarify this point.
General	
1. Is the 180-day extension proposed for each well, or for all activities proposed in Amendment #1?	Amendment #1 is seeking up to 180 days to conduct production flow testing on each well. The 180-day calculation would commence at the conclusion of hydraulic fracturing operations. In other words, all production flow testing operations would be required to cease prior to 180 days after the conclusion of the hydraulic fracturing operations. This 180-day flow testing limit would apply to all wells within the E&E Program.
2. Please provide timeline which compares the following: a. GBPO's original sequence of activities and planned dates of completion as outlined in the approved POO; b. GBPO's actual implementation of the approved POO and completion dates, to include anticipated dates of completion for activities not yet undertaken; and c. GBPO's anticipated sequence of activities and dates of completion if Amendment #1 were approved by DOG.	The E&E Program, by its nature, provides new information and data as it is being conducted. Subsequent activities are dependent on the results and data recovered during early stages of the program. DNR approved the POO recognizing the need for this flexibility. An updated timeline assuming approval of the Amendment #1 is included in the Amendment #1.
3. Provide an equipment layout appropriate for the activities proposed	Layout diagrams are attached to the updated Amendment #1.

in Amendment #1.	
4. Provide more clarity regarding the anticipated use of coil tubing and workover rig.	The coil tubing unit mentioned in Amendment #1 will be used if a "nitrogen lift" is determined to be necessary to assist the flow of oil after the initial decrease in well pressure following hydraulic fracture stimulation. The workover rig may be necessary to assist in the installation of a submersible pump.
5. Provide detail of additional spill/containment mitigations with crude and produced water storage on location.	During production testing, the flow rate is controlled and can be adjusted or completely shut-off as needed. If the storage capacity of the on-site containers is reached, the well can be shut off until the containers can be emptied. In addition, the original POO provides significant mitigation regarding fluid storage on the drill pads. In addition to the secondary containment built into the storage devices themselves, the entire pad is lined with an impermeable liner and double-bermed to serve as secondary (or tertiary) containment. The capacity of this secondary or tertiary containment far exceeds the capacity of any storage container on the pad. This structure will remain in place for the duration of the production flow test.
6. Provide detail of seasonal protection issues associated with the proposed extension of the production flow test.	In compliance with conditions placed on the original POO, and on our development permits from the North Slope Borough, Great Bear is designing the wells of the E&E Program to use a below-surface valve assembly and will also install a steel structure to protect the well from any interaction with ice during break-up. Great Bear will monitor the Sag River break-up and if there appears to be any risk of a ice-flood event Great Bear will discontinue flow testing operations and remove equipment from the drill site.
7. Provide detail on the anticipated flaring as a result of Amendment #1.	The E&E Program constitutes a test of the production characteristics of the

<p>Outline additional regulatory requirements and quantify the anticipated flaring compared to operations approved in original POO.</p>	<p>target formations (including natural gas production), both initially and over time. Therefore, Great Bear does not know the flaring quantities associated with an extended production flow test. For the same reason, Great Bear cannot provide a comparison of the flaring quantities under the Amendment #1 compared to the original POO.</p> <p>As mentioned in Sections 3.3 and 5.4 of Amendment #1, flaring will be regulated by AOGCC under 20 AAC 25.235(d)(6). The flaring is covered by Great Bear's air permit (issued by DEC) so long as the emission of any volatile organic compounds (VOCs) does not have the potential to exceed 100 tons per year. The production flow volumes are controlled and can be shut down if necessary. Great Bear will monitor the flaring to ensure that the emissions threshold is not exceeded. If the threshold may be exceeded, Great Bear will reduce or shutdown production flow to stay below the threshold.</p>
<p>8. Provide greater detail regarding the impact of road traffic anticipated by this amendment. Please quantify the anticipated number of trucks and trips per well and provide a comparison to operations approved in original POO.</p>	<p>The E&E Program constitutes a test of the production characteristics of the target formations (including oil, water, and natural gas production), both initially and over time. Therefore, Great Bear does not know the amount of truck traffic associated with an extended production flow test. However, based on other unconventional wells, it is fairly certain the that volume of traffic will be at its peak during the initial 15 days of the flow test and will continue to decrease over time. The initial flowback water production rate could start at as high as 2,000 barrels a day, or approximately 14 tanker trips per day. This will quickly decrease as the water flow transitions into (hopefully) oil flow.</p>

	<p>As discussed in Section 3.5 of Amendment #1, while Great Bear cannot predict the oil production flow rates for North Slope unconventional wells, it can provide an outlook based on an optimistic scenario. Utilizing analogue data from the Eagle Ford play in South Texas as a benchmark, assuming high flowback volumes of approximately 1,000 barrels of oil per day, it will result in approximately 7 tanker trips between the drill site and PBU each day, diminishing over time.</p> <p>As additional wells are drilled and tested there will likely be simultaneous testing going on. Given the likely gap between wells, and the potential decline rate, Great Bear estimates that the maximum number of tanker trips aggregated from all wells at any given day is approximately 20.</p>
DMLW	
1. A snow storage permit from DMLW will be necessary unless all snow storage will remain within the authorized drill site boundaries under the POO.	Great Bear will take this comment under advisement as operations continue into the winter.
2. Is the gravel slated for the extended flow test planned to be more than what is described in the original POO?	Amendment #1 does not alter the amount of gravel proposed in the original POO.
3. Could future drill sites be converted to ice pads? Constructed in November and remain in use until mid-May.	The same rationale as to why ice pads were not feasible in the original POO continues and has not changed.
AOGCC	
1. From our perspective, it is appropriate for DNR to grant the request for additional testing days.	Great Bear appreciates the support from AOGCC for our Amendment #1.
2. Great Bear will still need to get sundry approval from the AOGCC for an extended test. AOGCC will require substantial detail in this request.	Comment noted. Great Bear will work closely with AOGCC as activities proceed and will acquire the required approvals.
3. The sundry should address the details of the test; we will want to see test objectives, procedures, time estimates, and contingency plans. We will also want	Comment noted. Great Bear will work closely with AOGCC as activities proceed and will acquire the required approvals.

to see a detailed schematic of their planned surface facilities, including surface safety valve. Bill Penrose has been working with Guy Schwartz on sundry approvals and will continue to do so.	
4. We understand that Great Bear plans to sell the oil produced during the flow test. Custody transfer and associated metering must occur before production leaves the lease. Great Bear will be expected to comply with this requirement. They should work with Jim Regg and/or Dave Roby to assure that their plans for custody transfer and related metering are in compliance.	Comment noted. Great Bear will work closely with AOGCC as activities proceed and will acquire the required approvals.
5. If the flow test exceeds 30 days, AOGCC regulations require that a SSSV be installed in the well. The sundry should address the plan for such an outcome.	Comment noted. Great Bear will work closely with AOGCC as activities proceed and will acquire the required approvals.
6. As far as reporting during the test, we will require continuation of the weekly well status reports. We will also require monthly production reports, monthly gas disposition reports, and any other required reporting associated with operations of the well during the extended test.	Comment noted. Great Bear will work closely with AOGCC as activities proceed and will acquire the required approvals.
7. Also, AOGCC inspectors will need to inspect the custody transfer metering process, the proper functioning of the SSV (and SSSV should one become necessary), and may make other routine or non-routine inspections.	Comment noted. Great Bear will work closely with AOGCC as activities proceed and will acquire the required approvals.
8. If I've left anything out, Great Bear should NOT assume that it is not required. It is their responsibility to ensure that they comply with all applicable statutes and regulations. The best way to do that is to keep the lines of communication active between Great Bear and AOGCC personnel.	Comment noted. Great Bear will work closely with AOGCC as activities proceed and will acquire the required approvals.